



<b>Water Storage Investment Program: Pacheco Reservoir Expansion Update</b>
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### **Agenda Item at a Glance**

- The Pacheco Reservoir Expansion Project, called “Pacheco Reservoir project,” is a project that will expand the size of an existing reservoir. The project is being led by the Santa Clara Valley Water District or “Valley Water”. The Pacheco Reservoir project is eligible for funding through the Water Storage Investment Program, called “WSIP”.
- WSIP funds the public benefits of water storage projects funded by Proposition 1, passed by voters in 2014, and Proposition 4, passed by voters in 2024. “Public benefits” are the ways in which water storage projects provide benefits to Californians broadly, such as cleaner water, new recreational opportunities, and improvements to the land and water fish and wildlife need to survive. Water storage projects include reservoirs and underground water storage.
- This is an informational agenda item, important to anyone interested in WSIP and the Pacheco Reservoir project.
- At this meeting, the Commission will hear from Valley Water about the Pacheco Reservoir project. Commissioners can ask questions of presenters and Commission staff. Tribes and the public will have an opportunity to make a comment to the Commission before the Commission discusses this agenda item.

### **Introduction**

The California Water Commission (Commission) administers the Water Storage Investment Program (WSIP) to fund the public benefits associated with water storage projects using funds from the Proposition 1 Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1), codified at Water Code section 79750 et seq, and supplemented by funds from Proposition 4 the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clear Air Bond Act of 2024 (Proposition 4). The Pacheco Reservoir project is a regional surface storage project that would enlarge the existing reservoir from 6 thousand acre-feet (TAF) to 140 TAF and be operated to provide emergency water supply benefits and ecosystem benefits for steelhead in Pacheco Creek as well as water supplies for wildlife refuges. The project is located in southeast Santa Clara County.

At this meeting, the Commission will hear from representatives leading the Pacheco Reservoir project. This meeting will provide the Commission with information on the project’s status and will help the Commission understand whether the project is making demonstrable progress and

has viable public benefits. The information provided at this meeting will help the Commission gather critical information to inform its decision on awarding inflationary adjustments to WSIP projects.

### **Summary of Issues**

The project representatives have been asked to address the following to help the Commission understand the project's status:

- Overview of project
- Overview of public benefits
- Changes to magnitude of public benefits
- How project is funded: Who are the partners? Any funding from federal government?
- Tribal outreach and relationships
- Environmental document status/permitting status
- Timeline to final award and any milestones
- Opportunities to shorten timeline to final award

During this project update, the Commission is interested in hearing about how the Pacheco Reservoir project is included in Valley Water's Board decision-making process surrounding its Capital Improvement Portfolios, the environmental documentation timelines and potential litigation that could delay implementation of this project, additional information related to the Henry Coe State Park inundation, and the U.S. Bureau of Reclamation's involvement in and support of the project. Key questions include:

- When will Valley Water make a decision regarding whether to pursue the Pacheco Reservoir project? What are the factors influencing that decision?
- What is the likelihood that the project's environmental documentation will be litigated? Will that change the project's timeline? Will it influence Valley Water's likelihood of pursuing the project?
- What progress has been made on negotiating mitigation measures for the inundation of and other impacts to Henry Coe State Park? What is the timeline for these negotiations?
- Will Central Valley Project (CVP) water be stored in Pacheco Reservoir? Has Reclamation engaged in this project recently? If Reclamation fails to partner with Valley Water on this project, is the project still viable?

### **Background**

Through the WSIP, the Commission will invest \$2.6 billion in the public benefits of water storage projects, consistent with the requirements of Proposition 1, Chapter 8. The Commission made Maximum Conditional Eligibility Determinations (MCEDs) in July 2018, which set the amount of Proposition 1 funding potentially available to each project. One project received a final award at the June 2023 Commission meeting. The five remaining WSIP applicants

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successfully met Proposition 1 interim requirements by the deadline of January 1, 2022, and are working to complete the remaining statutory requirements. These include obtaining permits and completing environmental documents, executing contracts for the administration of public benefits, and completing contracts for non-public benefit cost share. When the applicant completes these requirements, the applicant will return to the Commission for a final award hearing.

During the March 2025 Commission meeting, the Commission discussed the recent funding that became available through the Los Vaqueros Reservoir Expansion withdrawal as well as the passage of Proposition 4. A decision was made to postpone inflationary adjustments until the Commission heard project updates from all of the projects in the WSIP. In addition to the Pacheco Reservoir project update, the Commission will be hearing from the rest of the projects in the coming months.

This agenda item is related to Goal One of the [Commission's Strategic Plan](#), which calls on the Commission to implement the WSIP to achieve public benefits. Information provided in project updates assists the Commission's ability to articulate clear timeframes for the projects seeking WSIP funding by the end of 2025.

### **Meeting Overview**

At the May meeting, Ryan McCarter, Deputy Operating Officer, Julianne O'Brien Engineering Unit Manager, of the Dam Safety and Capital Delivery Division, and Joshua Golka Assistant Officer from the Office of Government Relations at Valley Water will provide an update on the Pacheco Reservoir Project.

This is an informational item.

### **Contact**

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